

SENATE BILL 697

Unofficial Copy  
C7

2003 Regular Session  
3lr2565  
CF 3lr2209

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By: **Senators Klausmeier and Kasemeyer**  
Introduced and read first time: February 18, 2003  
Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing - Pimlico Race Course - Transfer of Preakness Stakes Name**  
3 **and Trademarks**

4 FOR the purpose of prohibiting video lottery terminals, other gaming devices, games  
5 of chance, and other forms of gambling, except for pari-mutuel betting on horse  
6 races, from being operated or conducted at the Pimlico Race Course unless the  
7 owner of the Preakness Stakes and the name of the race, copyrights,  
8 trademarks, service marks, and trade names associated with the Preakness  
9 Stakes and the owner of the trophy known as the Woodlawn Vase have  
10 transferred them unconditionally and unencumbered to the State of Maryland;  
11 providing that after the transfers to the State required by this Act have taken  
12 effect, the State shall license the person that undertook the transfers the sole  
13 and exclusive right to the use and enjoyment of the Preakness Stakes and the  
14 Woodlawn Vase if certain conditions are met; providing that if the licensee  
15 violates certain provisions of law, the license for the use of the Preakness Stakes  
16 and the Woodlawn Vase shall cease and terminate and any license for any video  
17 terminal lotteries or other gaming devices, games of chance, or other form of  
18 gambling, except for pari-mutuel betting, shall cease and terminate; providing  
19 that the State may not sell, lease, convey, transfer, assign, license, or exchange  
20 its rights, title, and interests in the Preakness Stakes and the Woodlawn Vase  
21 without an authorization of the General Assembly; and generally relating to the  
22 Preakness Stakes and the Woodlawn Vase and the Pimlico Race Course.

23 BY adding to  
24 Article - Business Regulation  
25 Section 11-520.1  
26 Annotated Code of Maryland  
27 (1998 Replacement Volume and 2002 Supplement)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
29 MARYLAND, That the Laws of Maryland read as follows:

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**Article - Business Regulation**

2 11-520.1.

3 (A) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW AND EXCEPT  
4 FOR PARI-MUTUEL BETTING AUTHORIZED BY THIS TITLE, VIDEO LOTTERY  
5 TERMINALS, OTHER GAMING DEVICES, GAMES OF CHANCE, AND OTHER FORMS OF  
6 GAMBLING MAY NOT BE INSTALLED, CONDUCTED, OR OPERATED IN THE FACILITIES  
7 OF OR ON THE GROUNDS OF THE PIMLICO RACE COURSE IN BALTIMORE CITY  
8 UNLESS:

9 (1) THE OWNER OF THE NAME, COMMON LAW AND STATUTORY  
10 COPYRIGHTS, SERVICE MARKS, TRADEMARKS, AND TRADE NAMES ASSOCIATED WITH  
11 THE PREAKNESS STAKES HAS TRANSFERRED THEM UNCONDITIONALLY AND  
12 UNENCUMBERED TO THE STATE AND HAS TRANSFERRED ALL RIGHTS TO AND TITLE  
13 AND INTEREST IN THEM TO THE STATE BEFORE THE IMPLEMENTATION OF ANY LAW  
14 THAT AUTHORIZES THE OPERATION OF VIDEO LOTTERY TERMINALS OR ANY OTHER  
15 FORM OF GAMBLING AT THE PIMLICO RACE COURSE; AND

16 (2) THE OWNER OF THE TROPHY KNOWN AS THE WOODLAWN VASE HAS  
17 TRANSFERRED UNCONDITIONALLY AND UNENCUMBERED TO THE STATE ALL  
18 RIGHTS TO AND TITLE AND INTEREST IN THE WOODLAWN VASE BEFORE THE  
19 IMPLEMENTATION OF ANY LAW THAT AUTHORIZES THE OPERATION OF VIDEO  
20 LOTTERY TERMINALS OR ANY OTHER FORM OF GAMBLING AT THE PIMLICO RACE  
21 COURSE.

22 (B) AFTER THE TRANSFERS DESCRIBED IN SUBSECTION (A) OF THIS SECTION  
23 HAVE TAKEN EFFECT, THE STATE SHALL LICENSE THE PERSON THAT UNDERTOOK  
24 THE TRANSFERS THE SOLE AND EXCLUSIVE RIGHT TO THE USE AND ENJOYMENT OF  
25 THE PREAKNESS STAKES NAME, COPYRIGHTS, SERVICE MARKS, TRADEMARKS, AND  
26 TRADE NAMES AND THE WOODLAWN VASE IF THE FOLLOWING CONDITIONS ARE  
27 MET:

28 (1) THE LICENSEE PROMOTES AND CONDUCTS THE PREAKNESS STAKES  
29 AT THE PIMLICO RACE COURSE EACH YEAR; OR

30 (2) IF THE PIMLICO RACE COURSE NO LONGER EXISTS, THE PREAKNESS  
31 STAKES RACE IS PREVENTED FROM BEING CONDUCTED, OR THE COMMISSION,  
32 UNDER § 11-513 OF THIS SUBTITLE, DEEMS AN EMERGENCY EXISTS, THE LICENSEE  
33 PROMOTES AND CONDUCTS THE PREAKNESS STAKES RACE EACH YEAR AT ANOTHER  
34 TRACK LOCATED IN THE STATE THAT IS APPROVED BY THE COMMISSION.

35 (C) (1) THE RIGHTS UNDER THE LICENSE MAY NOT BE ASSIGNED OR  
36 TRANSFERRED BY THE LICENSEE TO ANY PERSON WITHOUT THE PRIOR WRITTEN  
37 APPROVAL OF THE STATE.

38 (2) FOR THE PURPOSE OF PARAGRAPH (1) OF THIS SUBSECTION,  
39 ASSIGNMENT OR TRANSFER INCLUDES A CHANGE IN OWNERSHIP OF THE LICENSEE  
40 BY MORE THAN 50% OF ALL THE VOTING INTERESTS IN THE LICENSEE DURING ANY  
41 12 CONSECUTIVE MONTH PERIOD.

1 (D) IF THE LICENSEE VIOLATES ANY PROVISION OF SUBSECTION (B) OR (C) OF  
2 THIS SECTION, THE STATE SHALL SEND BY CERTIFIED MAIL, RETURN RECEIPT  
3 REQUESTED, TO THE LICENSEE WRITTEN NOTICE OF THE VIOLATION.

4 (E) SIXTY DAYS AFTER THE WRITTEN NOTICE FROM THE STATE IS SENT TO  
5 AND RECEIVED BY THE LICENSEE:

6 (1) THE LICENSE AND THE RIGHTS UNDER THE LICENSE GRANTED TO  
7 THE LICENSEE SHALL CEASE AND TERMINATE;

8 (2) ANY LICENSE ISSUED FOR VIDEO LOTTERY TERMINALS, OTHER  
9 GAMING DEVICES, GAMES OF CHANCE, OR ANY OTHER FORM OF GAMBLING, EXCEPT  
10 FOR PARI-MUTUEL BETTING, AT THE PIMLICO RACE COURSE OR ITS PERMANENT  
11 REPLACEMENT TRACK FACILITY AT WHICH THE PREAKNESS STAKES IS RUN SHALL  
12 CEASE AND TERMINATE AND MAY NOT BE TRANSFERRED TO ANY OTHER PERSON;

13 (3) VIDEO LOTTERY TERMINALS, OTHER GAMING DEVICES, GAMES OF  
14 CHANCE, AND ANY OTHER FORM OF GAMBLING, EXCEPT FOR PARI-MUTUEL  
15 BETTING, MAY NOT BE OPERATED OR CONDUCTED IN THE FACILITIES OF OR ON THE  
16 GROUNDS OF THE PIMLICO RACE COURSE IN BALTIMORE CITY OR IN THE FACILITIES  
17 OF OR ON THE GROUNDS OF ANY PERMANENT REPLACEMENT TRACK FOR THE  
18 PIMLICO RACE COURSE; AND

19 (4) THE STATE MAY GRANT ANY OR ALL OF THE RIGHTS UNDER THIS  
20 SECTION TO ANY PERSON SUBJECT TO:

21 (I) THE PROVISIONS OF SUBSECTIONS (B) AND (C) OF THIS  
22 SECTION; AND

23 (II) ANY OTHER TERMS AND CONDITIONS THE STATE MAY  
24 CONSIDER APPROPRIATE AND NECESSARY, INCLUDING THE REQUIREMENT THAT IF  
25 THE PREAKNESS STAKES CANNOT BE CONDUCTED AT THE PIMLICO RACE COURSE,  
26 THE PREAKNESS STAKES SHALL BE CONDUCTED AT A REPLACEMENT TRACK  
27 LOCATED IN THE STATE APPROVED BY THE COMMISSION.

28 (F) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STATE MAY NOT  
29 SELL, LEASE, CONVEY, TRANSFER, ASSIGN, LICENSE, OR EXCHANGE ITS RIGHTS,  
30 TITLE, AND INTERESTS IN THE PREAKNESS STAKES, THE WOODLAWN VASE, AND THE  
31 PREAKNESS STAKES NAME, COPYRIGHTS, SERVICE MARKS, TRADE NAMES, AND  
32 TRADEMARKS UNLESS AUTHORIZED BY AN ACT OF THE GENERAL ASSEMBLY.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 July 1, 2003.